

NEWS RELEASE

FEBRUARY 18, 2015

SYMBOL: PEY - TSX

PEYTO'S 2014 EXIT PRODUCTION AND TOTAL RESERVES EXCEED 85,000 BOE/D AND 530 MMBOE

Peyto Exploration & Development Corp. ("Peyto" or the "Company") is pleased to present the results and analysis of the independent reserve report effective December 31, 2014. The evaluation encompassed 100% of Peyto's reserve assets and was conducted by InSite Petroleum Consultants ("InSite").

This year marks the company's 16th year of profitable reserves development and the largest organic capital program in Peyto's history. Reserves per share grew in all categories with total reserves of 3.2 Trillion Cubic Feet equivalent ("TCFe") or 531.4 Million Barrels of Oil equivalent ("MMBOE") at year end.

HISTORICAL

- Over the past 16 years, Peyto has explored for and discovered over 4.0 TCFe of Alberta Deep Basin natural gas and associated liquids, over 58% of which has now been developed. Each year the Company invests in the discovery of new reserves and the efficient and profitable development of existing reserves into high netback natural gas production for the purpose of generating maximum return on capital for shareholders.
- In total, \$4.1 billion has been invested in the acquisition and development of the 2.3 TCFe of developed reserves at an average cost of \$1.77/MCFe, while a weighted average field netback¹ of \$4.79/MCFe has resulted in a cumulative recycle ratio² of 2.7 times.
- Based on the December 31, 2014 evaluation, the debt adjusted, Net Present Value of the company's remaining Proved plus Probable Additional reserves ("P+P NPV" - debt adjusted, 5% discount) was \$40/share, comprised of \$23.50/share of developed reserves and \$16.50/share of undeveloped reserves.

2014 HIGHLIGHTS

- For the year ended December 31, 2014, Peyto invested \$690 million of capital to build a record 41,000 boe/d of new production¹ at a cost of \$16,800/boe/d. This is the fifth year in a row that Peyto has built new production for less than \$17,600/boe/d, inclusive of land, seismic, facilities and all well costs.
- Peyto developed over 306 BCFe (51 MMBOEs) of new Proved Producing ("PP") reserves at a Finding, Development and Acquisition ("FD&A") cost of \$2.25/MCFe (\$13.52/boe) while the average field netback¹ was \$4.19/MCFe (\$25.16/boe), resulting in a 1.9 times recycle ratio². The 2014 PDP FD&A was 4% lower than 2013, despite a 5% underlying cost inflation, due to improvements in operational execution.
- Peyto replaced 254% of annual production with new Total Proved ("TP") reserves at a FD&A cost of \$2.37/MCFe (\$14.20/boe) and 328% of annual production with new Proved plus Probable Additional ("P+P") reserves at a FD&A cost of \$2.01/MCFe (\$12.07/boe) (including increases in Future Development Capital ("FDC") of \$315 million and \$414 million for the respective categories). For comparative purposes, FD&A costs before changes in FDC were \$1.63/MCFe (\$9.75/boe) and \$1.26/MCFe (\$7.55/boe), respectively.
- Company reserves increased by 13%, 14% and 14% to 1.2 TCFe, 2.1 TCFe and 3.2 TCFe for PP, TP and P+P, respectively. Per share reserves were up 10% for each of these respective categories.
- The Reserve Life Index ("RLI") for the PP, TP and P+P reserves decreased to 7, 11 and 18 years as production again grew faster than reserves.
- At year end, P+P reserves of 531 MMboes (inclusive of 762 future locations) had been assigned to just 12% of Peyto's total Deep Basin rights.
- For every booked location converted to Proved Producing, Peyto was able to recognize 2.5 new undeveloped locations in its inventory of future opportunities.

2015 UPDATE

- Peyto's drilling plans for 2015 remain the same as previously announced and will take advantage of lower service costs to drill up to 130 (net) horizontal wells. Should targeted savings of 20% be realized, it is estimated new working interest production could be added at a record \$13,500/boe/d.
- For the first six weeks of 2015, production has averaged 82,000 boe/d, with 3,000 boe/d shut in, mainly due to service interruptions on the TCPL system. Since February 13, 2015, service has been restored and production has returned to 85,000 boe/d.

¹Capital Expenditures, Field Netback (Revenue less Royalties, Operating costs and Transportation), and Production are estimated and remain unaudited at this time.

²Recycle Ratio is Field Netback divided by FD&A.

2014 RESERVES

The following table summarizes Peyto's reserves and the discounted Net Present Value of future cash flows, before income tax, using variable pricing, at December 31, 2014.

Reserve Category	Gas (BCF)	Oil & NGL (mstb)	BCFe (6:1)	mmBOE (6:1)	Before Tax Net Present Value (\$millions) Discounted at			
					0%	5%	8%	10%
Proved Producing	1,059	23,599	1,200	200	5,367	3,447	2,842	2,551
Proved Non-producing	13	418	16	3	59	31	23	19
Proved Undeveloped	735	22,232	868	145	2,747	1,375	931	719
Total Proved	1,807	46,249	2,085	347	8,173	4,852	3,796	3,288
Probable Additional	980	20,664	1,104	184	4,822	2,309	1,619	1,311
Proved + Probable Additional	2,787	66,914	3,189	531	12,995	7,161	5,415	4,599

Note: Based on the InSite report effective December 31, 2014. Tables may not add due to rounding.

ANALYSIS FOR SHAREHOLDERS

Our guiding principle at Peyto is “to tell you the business facts that we would want to know if our positions were reversed.” Therefore, each year Peyto analyzes the reserve evaluation in order to answer the most important questions for shareholders:

1. Base Reserves - How did the “base reserves” that were on production at the time of the last reserve report perform during the year, and how did any change in commodity price forecast affect their value?
2. Value Creation - How much value did the 2014 capital investments create, both in current producing reserves and in undeveloped potential?
3. Growth and Income - Are the projected cash flows capable of funding the growing number of undeveloped opportunities and a sustainable dividend stream to shareholders without sacrificing Peyto's financial flexibility?
4. Risk Assessment – What are the risks associated with the assessment of Peyto's reserves and the risk of recovering future cashflows from the forecast production streams?

1. Base Reserves

Peyto's existing Proved Producing reserves at the start of 2014 (base reserves) were evaluated and adjusted for 2014 production as well as any technical revisions resulting from the additional twelve months of production

data. As part of InSite's independent engineering analysis, all 991 producing entities were evaluated. These producing wells and zones represent a total gross Estimated Ultimate Recoverable (EUR) volume of 2.3 TCFe. Consistent with past years, this estimate is within 1.3% of previous estimates. In aggregate, Peyto is pleased to report that its total base reserves continue to meet with expectation, which increases the confidence in the prediction of future recoveries.

The commodity price forecast used by the independent engineers in this year's evaluation was lower than last year which had the effect of reducing the Net Present Value of all reserve categories. For example, the debt adjusted NPV, discounted at 5%, of last year's Proved Producing reserves, decreased \$111 million, or 5%, due to the difference in commodity price forecasts and with Peyto's realized offsets to posted prices. InSite's price forecast used in the variable dollar economics is available on their website at www.insitepc.com.

For 2015, InSite is forecasting the total base production (all wells on production at Dec. 31, 2014) to decline to approximately 54,200 boe/d by December, 2015. This implies a base decline rate of 36% from December 2014. This forecast decline rate is slightly lower than the 2014 actual base decline of 38% because the 2014 production additions represent a smaller proportion of total production than in the prior year. It is expected that the base decline rate will continue to shrink into the future as the Company's total production grows. The historical base decline rates and capital programs are shown in the following table:

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015F
Base Decline (%/yr)	31%	27%	30%	29%	23%	26%	20%	22%	33%	35%	34%	38%	36%
Capital Expenditures (\$MM)	\$139	\$231	\$358	\$312	\$122	\$139	\$73	\$261	\$379	\$618	\$578	\$690	\$590

**The base decline represents the aggregate annual decline of all wells on production at the end of the previous year.*

2. Value Creation/Reconciliation

During 2014, Peyto invested a total of \$690 million to drill 123 gross (114 net) horizontal gas wells. In keeping with Peyto's strategy of maximizing shareholder returns, an evaluation of the economic results of this capital investment is necessary in order to determine, on a go-forward basis, the best use of shareholders' capital. Not only does this look back analysis give shareholders a report card on the capital that was invested, it also helps illustrate the potential returns that can be generated from similar future undeveloped opportunities.

Exploration and Development Activity

Of the total capital invested in exploration and development activities in 2014, 3% was spent on acquiring lands and seismic, 18% on facilities, and the remaining 79% was spent drilling, completing and connecting existing and new reserves. Of the 123 gross (114 net) wells drilled, 73% or 90 gross wells were previously identified as undeveloped reserves in last year's reserve report (50 Proved, 40 Probable Additional). The remaining 33 wells were not recognized in last year's report. As is the case in most years, a portion of the drilling program was drawn from the company's total internal drilling inventory which is larger and more comprehensive than that identified in the InSite report.

The undeveloped reserves booked to the 90 locations at year end 2013 totaled 278 BCFe (3.1 BCFe/well) of Proved Undeveloped plus Probable Additional reserves for a forecast capital investment of \$417 million (\$1.50/Mcfe). In actuality, \$419 million of capital (\$1.46/Mcfe) was spent on these 90 wells during 2014, yielding Proved Producing plus Probable Additional reserves of 288 BCFe (3.2 BCFe/well).

With effectively the same capital yielding even more reserves, the development of these 90 booked locations produced a slightly better result than was originally projected. This annual analysis of reserves that are converted from an undeveloped condition to a producing condition helps to validate the accuracy of the remaining undeveloped reserves and their capital requirements. The accuracy by which Peyto can predict future reserve recoveries and future capital requirements also helps to reduce the risk associated with valuing those undeveloped locations.

Value Reconciliation

In order to measure the success of all of the capital invested in 2014, it is necessary to quantify the total amount of value added during the year and compare that to the total amount of capital invested. The independent engineers have run last year's reserve evaluation with this year's price forecast to remove the change in value attributable to both commodity prices and changing royalties. This approach isolates the value created by the Peyto team from the value created (or lost) by those changes outside of their control (ie. commodity prices). Since the capital investments in 2014 were funded from a combination of cash flow, debt and equity, it is necessary to know the change in debt and the change in shares outstanding to see if the change in value is truly accretive to shareholders.

At year-end 2014, Peyto's estimated net debt had increased by \$64.7 million to \$1.011 billion while the number of shares outstanding had increased by 4.91 million shares to 153.860 million shares. The change in debt includes all of the capital expenditures, as well as any acquisitions, and the total fixed and performance based compensation paid out for the year. Although these estimates are believed to be accurate, they remain unaudited at this time and are subject to change.

Based on this reconciliation of changes in BT NPV, the Peyto team was able to create \$1.0 billion of Proved Producing, \$1.2 billion of Total Proven, and \$1.8 billion of Proved plus Probable Additional undiscounted reserve value, with \$690 million of capital investment. The ratio of capital expenditures to value creation is what Peyto refers to as the NPV recycle ratio, which is simply the undiscounted value addition, resulting from the capital program, divided by the capital investment. For 2014, the Proved Producing NPV recycle ratio is 1.5. This means for each dollar invested, the Peyto team was able to create 1.5 new dollars of Proved Producing reserve value.

The historic NPV recycle ratios are presented in the following table.

Value Creation	31-Dec-06	31-Dec-07	31-Dec-08	31-Dec-09	31-Dec-10	31-Dec-11	31-Dec-12	31-Dec-13	31-Dec-14
NPV ₀ Recycle Ratio									
Proved Producing	2.9	4.7	2.1	5.4	3.5	2.4	1.6	1.5	1.5
Total Proved	2.9	5.5	2.5	18.9	6.1	4.7	2.2	2.0	1.7
Proved + Probable	3.8	3.8	2.2	27.1	10.3	6.6	3.2	4.0	2.6

**NPV₀ (net present value) recycle ratio is calculated by dividing the undiscounted NPV of reserves added in the year by the total capital cost for the period (eg. 2014 Proved Producing (\$1,017/\$690) = 1.5).*

3. Growth and Income

As a dividend paying growth corporation, Peyto's objective is to profitably grow the resources which generate sustainable income (dividends) for shareholders. In order for income to be more sustainable and grow, Peyto must profitably find and develop more reserves. Simply increasing production from the existing reserves will not make that income more sustainable. Reserve Life Index (RLI), or a reserve to production ratio, provides a measure of this long term sustainability.

During 2014, the Company was successful in replacing 183% of annual production with new Proved Producing reserves, resulting in a 13% increase in total PP reserves. Fourth quarter production, however, increased 24%, from 67,296 boe/d to 83,251 boe/d, which had the effect of reducing the Proved Producing reserve life index 8% from 7.2 years to 6.6 years. The reserve life index in all categories has continued to decline since the adoption of horizontal multi-stage fracture well designs due to the large initial production rates combined with steep initial declines.

For comparative purposes, the Total Proved and P+P reserve life index was 11 and 18 years, respectively. Management believes, however, that the most meaningful method to evaluate the current reserve life is by

dividing the Proved Producing reserves by the actual fourth quarter annualized production. This way production is being compared to producing reserves as opposed to producing plus non-producing reserves.

The following table highlights the Company's historical Reserve Life Index.

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Proved Producing	10	9	11	12	13	14	14	11	9	9	7	7
Total Proved	13	12	14	14	16	17	21	17	16	15	12	11
Proved + Probable	19	17	19	20	21	23	29	25	22	22	19	18

Future Undeveloped Opportunities

With the continued expansion of Peyto's organic exploration and development activity to \$690 million in 2014, the Company has been able to increase the pace that undeveloped opportunities are both recognized and developed. As a result, the number of future drilling locations in the reserve report has increased 22% to 762 gross (621 net) locations from 628 gross (505 net) locations last year. Of these future locations, 60% are categorized by the independent reserve evaluators as Proven Undeveloped with the remaining 40% as Probable Undeveloped. The net reserves associated with the undeveloped locations (not including existing uphole zones) total 1.7 TCFe (284 mmoes) while the total capital required to develop them is estimated at \$2.92 billion or \$1.72/MCFe. This is forecast to create Net Present Value of \$2.97 billion (5% discount rate, post capital recovery) or \$19.30 per share. The development schedule for the undeveloped reserves is shown in the following table of forecasted capital.

Year	Future Development Capital	
	Proved Reserves Undisc., (\$Millions)	Proved+ Probable Additional Reserves Undisc., (\$Millions)
2015	\$449	\$609
2016	\$483	\$648
2017	\$315	\$586
2018	\$306	\$595
2019	\$142	\$480
Thereafter	\$26	\$44
Total	\$1,721	\$2,963

The undiscounted, forecast for Net Operating Income for the Total Proved and P+P reserves over the first 5 years totals \$3.4 billion and \$4.7 billion, respectively, more than sufficient to fund the future development capital shown above, ensuring those reserve additions are accretive to shareholders.

4. Risk Assessment

Effectively 100% of Peyto's natural gas and natural gas liquid reserves exist in low permeability (tight), sandstone reservoirs in the Alberta Deep Basin. In almost all cases, the volumetric capacity of these sandstone reservoirs can be determined using traditional geological and reservoir engineering techniques, which when complimented by production performance data, increases the certainty of the reserve estimates. In the majority of Peyto's core areas, continuous drilling activity has further refined the geologic and geometric definition of these reservoirs to a higher level of certainty.

In addition, these Deep Basin sandstone reservoirs do not contain mobile water nor are they supported by active aquifers. Mobile water traditionally increases the risk associated with reservoir recovery by impeding the flow of hydrocarbons through the reservoir and up the wellbore. Water production, separation and disposal processes also increase operating costs which shortens the economic life of producing wells, further contributing to reduced recovery. As many of these traditional reserves determination and recovery risks are not present in

Peyto's Deep Basin reservoirs, Management has a higher level of confidence in its reserves and their ultimate recovery.

Peyto's high operating margins have meant that forecasts of net operating income are less affected by commodity price volatility than in most traditional reserve evaluations. As a result, the predicted economic life of Peyto's producing wells are less sensitive to changes in commodity prices. These high operating margins are achieved through the Company's high level of ownership and control of all levels of production operations, through a concentrated geographic asset base, and by striving to be the lowest cost producer in the industry.

Peyto further reduces the risk of predicted operating incomes with an active hedging program that aims to achieve a fixed price for up to 65% of natural gas production by a "dollar cost averaging" of future gas prices. At present, Peyto has 54% of forecast 2015 natural gas production pre-sold at an average price of \$4.09/mcf.

PERFORMANCE RATIOS

The following table highlights annual performance ratios both before and after the implementation of horizontal wells in late 2009. These can be used for comparative purposes, but it is cautioned that on their own they do not measure investment success.

	2014	2013	2012	2011	2010	2009	2008	2007
Proved Producing								
FD&A (\$/mcf)	\$2.25	\$2.35	\$2.22	\$2.12	\$2.10	\$2.26	\$2.88	\$2.11
RLI (yrs)	7	7	9	9	11	14	14	13
Recycle Ratio	1.9	1.6	1.6	1.9	2.0	1.8	2.3	2.8
Reserve Replacement	183%	190%	284%	230%	239%	79%	110%	127%
Total Proved								
FD&A (\$/mcf)	\$2.37	\$2.23	\$2.04	\$2.13	\$2.35	\$1.73	\$3.17	\$1.57
RLI (yrs)	11	12	15	16	17	21	17	16
Recycle Ratio	1.8	1.6	1.7	1.9	1.8	2.3	2.1	3.7
Reserve Replacement	254%	230%	414%	452%	456%	422%	139%	175%
Future Development Capital (\$ millions)	\$1,721	\$1,406	\$1,318	\$1,111	\$741	\$446	\$222	\$169
Proved plus Probable Additional								
FD&A (\$/mcf)	\$2.01	\$1.86	\$1.68	\$1.90	\$2.19	\$1.47	\$3.88	\$1.56
RLI (yrs)	18	19	22	22	25	29	23	21
Recycle Ratio	2.1	2.0	2.1	2.1	1.9	2.8	1.7	3.7
Reserve Replacement	328%	450%	527%	585%	790%	597%	122%	117%
Future Development Capital (\$millions)	\$2,963	\$2,550	\$2,041	\$1,794	\$1,310	\$672	\$390	\$321

- FD&A (finding, development and acquisition) costs are used as a measure of capital efficiency and are calculated by dividing the capital costs for the period, including the change in undiscounted future development capital ("FDC"), by the change in the reserves, incorporating revisions and production, for the same period (eg. Total Proved $(\$690.4 + \$315.2) / (347.419 - 304.494 + 27.876) = \$2.37/\text{mcf}$ or $\$14.20/\text{boe}$).
- The reserve life index (RLI) is calculated by dividing the reserves (in boes) in each category by the annualized average production rate in boe/year (eg. Proved Producing $200,068 / (83.251 \times 365) = 6.6$). Peyto believes that the most accurate way to evaluate the current reserve life is by dividing the proved developed producing reserves by the actual fourth quarter average production. In Peyto's opinion, for comparative purposes, the proved developed producing reserve life provides the best measure of sustainability.

- The Recycle Ratio is calculated by dividing the field netback per MCFe, by the FD&A costs for the period (eg. Proved Producing $(\$25.16)/\$13.52=1.9$). The recycle ratio is comparing the netback from existing reserves to the cost of finding new reserves and may not accurately indicate investment success unless the replacement reserves are of equivalent quality as the produced reserves.
- The reserve replacement ratio is determined by dividing the yearly change in reserves before production by the actual annual production for the year (eg. Total Proved $((347.419-304.494+27.876)/27.876) = 254\%$).

RESERVES COMMITTEE

Peyto has a reserves committee, comprised of independent board members, that reviews the qualifications and appointment of the independent reserve evaluators. The committee also reviews the procedures for providing information to the evaluators. All booked reserves are based upon annual evaluations by the independent qualified reserve evaluators conducted in accordance with the COGE (Canadian Oil and Gas Evaluation) Handbook and National Instrument 51-101. The evaluations are conducted using all available geological and engineering data. The reserves committee has reviewed the reserves information and approved the reserve report.

2015 OUTLOOK

Lower oil and natural gas prices, relative to this time last year, has caused a material drop in activity and substantial reductions in the capital budgets for both Canadian and US producers. This projected drop in activity has also brought about rate reductions from the service industry as they improve their efficiencies and compete for the reduced activity. As a result, the actual cost for the drilling and completion of a typical Peyto Deep Basin horizontal well has now fallen by 7% and 13%, respectively. While these cost savings are significant, even greater savings are required to preserve the economic returns if current commodity prices persist. Peyto believes that savings of up to 20% can be achieved and once they have, the Company will be pursuing development of its inventory of Deep Basin drilling ideas even more aggressively. This is exactly the environment in which Peyto thrives, by being counter cyclical to the industry and actively developing its asset base when both industry activity and costs are lower, resulting in improved returns.

The rapidly falling service costs drove a strategic decision to deliberately postpone certain drilling plans in the first six weeks of 2015. In addition, gas transportation restrictions on TCPL's Peace River Mainline system temporarily limited take-away capability which meant Peyto was unable to bring on incremental volumes in any case. Both of these factors have contributed to lower production for the start of 2015 than was originally forecast. Transportation restrictions have since been removed and with service cost reductions mostly in hand, drilling plans and production additions have resumed.

Peyto's 2015 capital plans are to drill up to 130 (net) horizontal wells. This plan is contingent on the ability to drill through the traditional break up period, similar to 2014, but could be impacted if spring weather is uncooperative. If the full cost savings are achieved as anticipated, then production from the new wells should be added for as little as \$13,500/boe/d. With this level of cost savings, Peyto expects to spend less than originally budgeted. The Company's high level of ownership and control ensures that the pace of the drilling program can be adjusted quickly as market and weather conditions dictate.

By all measures, 2014 was a record year for Peyto. The largest capital program in the Company's history was executed with precision, yielding similar results to previous years. As one of the lowest cost, most profitable natural gas producers in the industry, Peyto is more insulated from the current commodity price volatility and able to take advantage of this recent industry downturn. As always, however, capital will only be invested if Peyto's strict rate of return objectives can be met.

GENERAL

For more in depth discussion of the 2014 reserve report, an interview with the management will be available on Peyto's website by the end of February 2015. A complete filing of the Statement of Reserves (form 51-101F1),

Report on Reserves (form 51-101F2), and Report of Management and Directors on Oil and Gas Disclosure (form 51-101F3) will be available in the Annual Information Form to be filed by the end of March 2015. Shareholders are encouraged to actively visit Peyto's website located at www.peyto.com. For further information, please contact Darren Gee, President and Chief Executive Officer of Peyto at (403) 237-8911, or Jim Grant, Investor Awareness, at (403) 451-4102.

This news release contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this news release contains forward-looking information and statements pertaining to the following: management's assessment of Peyto's future plans and operations, capital expenditures, the volumes and estimated value of Peyto's reserves, the life of Peyto's reserves, production estimates, the ability to enhance value of reserves for shareholders and ensure the reserves generate the maximum possible return. Forward-looking statements or information are based on a number of material factors, expectations or assumptions of Peyto which have been used to develop such statements and information but which may prove to be incorrect. Although Peyto believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because Peyto can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified herein, assumptions have been made regarding, the impact of increasing competition, the timely receipt of any required regulatory approvals, the ability of Peyto to obtain qualified staff, equipment and services in a timely and cost efficient manner, drilling results, field production rates and decline rates, the ability to replace and expand reserves through development and exploration, future commodity prices, currency, exchange and interest rates, regulatory framework regarding royalties, taxes and environmental matters and the ability of Peyto to successfully market its oil and natural gas products. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond these parties' control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources. Peyto's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that Peyto will derive therefrom. The forward-looking information and statements contained in this news release speak only as of the date of this news release, and Peyto does not assume any obligation to publicly update or revise any of the included forward-looking statements or information, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

This news release contains information, including in respect of Peyto's 2015 capital program, which may constitute future oriented financial information or a financial outlook. Such information was approved by management of Peyto on November 11, 2014, and such information is included herein to provide readers with an understanding of the Company's anticipated capital expenditures for 2015. Readers are cautioned that the information may not be appropriate for other purposes.

BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf:1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Some values set forth in the tables above may not add due to rounding. It should not be assumed that the estimates of future net revenues presented in the tables above represent the fair market value of the reserves. There is no assurance that the forecast prices and costs assumptions will be attained and variances could be material. The aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserves additions for that year.

The Toronto Stock Exchange has neither approved nor disapproved the information contained herein.